1 2 3 4 5 6	Timothy D. Nichols (pro hac vice forthcomin tnichols@wnlaw.com Brian N. Platt (WSBA No. 34089) bplatt@wnlaw.com WORKMAN NYDEGGER 60 East South Temple Suite 1000 Salt Lake City, UT 84111 Telephone: (801) 533-9800 Facsimile: (801) 328-1707 Attorneys for Darex, LLC	ng)
7 8		
9		
10	WESTERN DISTR	ES DISTRICT COURT RICT OF WASHINGTON
11	AT	SEATTLE
12		
13	DAREX, LLC,	Case No:
14	Plaintiff,	COMPLAINT FOR COPYRIGHT INFRINGEMENT, TRADEMARK
15 16	V.	INFRINGEMENT, AND UNFAIR COMPETITION
17	HARDWARE SALES INC.,	JURY TRIAL DEMANDED
18	Defendant.	
19		
20		
21		
22		
23		
24		

COMPLAINT - 1

Hardware Sales Inc. ("HSI").

3

INTRODUCTION

Plaintiff Darex, LLC ("Darex") complains and alleges as follows against Defendant

4

5

6

7

8

9

10

11 12

13

14

15

16

17

18

1920

21

22

23

24

- 1. This is an action for copyright infringement in violation of 17 U.S.C. § 106 *et seq*, trademark infringement in violation of 15 U.S.C. § 1114 *et seq*, unfair competition in violation of 15 U.S.C. § 1125(a), false advertising in violation of 15 U.S.C. § 1125(a), and violation of Washington's Consumer Protection Act, RCW 19.86.023.
- 2. Darex owns exclusive rights in United States Copyright Registration No. VA 2-224-250 (the "Darex Copyright"); and United States Trademark Registration Nos. 2,083,587; 2,756,861; 3,407,214; 4,026,814; 6,077,986; and 6,077,987 (the "Darex Trademarks").
- 3. HSI has made and used unauthorized reproductions of Darex's original works which are the subject of the Darex Copyright.
- 4. HSI has made unauthorized use of the Darex Trademarks, and its unauthorized use is likely to cause confusion, to cause mistake, or to deceive the consumer as to the affiliation, connection, or association of HSI products with Darex, or as to the origin, or approval by Darex of HSI's goods, services, or commercial activities, in violation of 15 U.S.C. § 1114(a) (trademark infringement) and 15 U.S.C. § 1125(a) (unfair competition).
- 5. Darex seeks, among other relief, an injunction preventing HSI from further infringing the Darex Copyright and the Darex Trademarks, and damages or disgorgement of HSI profits from its infringement.

THE PARTIES

- 6. Darex, LLC is a limited liability company organized and existing under the laws of the State of Oregon with a principal place of business at 210 E Hersey St, Ashland, OR 97520.
 - 7. Hardware Sales, Inc. ("HSI") is a corporation organized and existing under the laws

of the State of Washington with a principal place of business at 2034 James Street, Bellingham, Washington 98825, doing business on the internet as Hardware Sales (www.HardwareSales.net and www.HardwareSales.com).

4

JURISDICTION AND VENUE

5

6

7

8

9

10 11

12

13 14

15

16

17

18

19

20

21

22

23

24

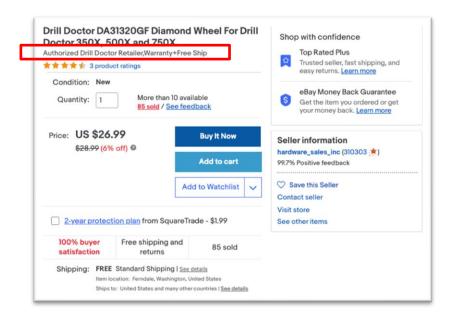
- This Court has subject matter jurisdiction under 15 U.S.C. § 1121 (action arising 8. under the Lanham Act); 28 U.S.C. § 1331 (federal question); 28 U.S.C. § 1338(a) (any Act of Congress relating to patents or trademarks); 28 U.S.C. § 1338(b) (action asserting claim of unfair competition joined with a substantial and related claim under the trademark laws); and 28 U.S.C. § 1367 (supplemental jurisdiction).
- 9. This Court has personal jurisdiction over Defendant because Defendant reside in this judicial district, and have committed and continue to commit acts of copyright infringement in violation of 17 U.S.C. § 106 et seq, trademark infringement in violation of 15 U.S.C. § 1114 et seq, and unfair competition in violation of 15 U.S.C. § 1125(a) within this district and expressly targeted their activities toward this District. Defendant has expressly targeted this District with its infringing activities, places infringing products into the stream of commerce with the knowledge or understanding that such products are sold in the State of Washington and in this District, and has shipped products into this District. In addition, the acts of Defendant cause substantial injury to Darex in this District. On information and belief, Defendant derive substantial revenue from its sale of products into this District, expects its actions to have consequences within this District, and derives substantial revenue from interstate commerce expressly targeted at this District.

GENERAL ALLEGATIONS

10. Darex is a 4th-generation family-owned company in Ashland, Oregon. For over 40 years, Darex has been creating industry-leading sharpening tools here in the USA under the brands DAREX, DRILL DOCTOR, and WORK SHARP.

- 11. Darex began in 1973 in Beecher, Illinois. The D, A, and R that make up the DAREX brand are the initials of *three generations* of the Bernard family. In 1978, Darex relocated to Ashland, Oregon where it continues to reside. In 2012, Matthew Bernard became the fourthgeneration family owner of the company.
- 12. Darex exists because of a unique passion for creating exceptional-quality, easy-to-use sharpening tools, to the surprise and delight the customers who buy and use its products. Its ingenious products are designed to keep tools and knives safe and sharp.
- 13. Darex products include professional-quality drill bit sharpeners sold under the Drill Doctor® brand, industrial-quality drill bit sharpeners sold under the Darex brand®, and culinary knife sharpeners, tool and knife sharpeners and other products sold under the Work Sharp® brand.
- 14. Darex strives to create a positive experience for its customers by selling its products only through authorized retailers that agree to sell its products under appropriate conditions.
- 15. Unfortunately, unscrupulous companies such as HSI—who is not an authorized retailer for Work Sharp® or Drill Doctor® products—seek to mislead consumers and obtain and sell its products at a steep discount and without warranties.
- 16. HSI is not authorized to sell Work Sharp[®] or Drill Doctor[®] products or to use its copyrighted images or trademarks in connection with its unauthorized listings, and has been asked by Darex to stop selling unauthorized Darex products. HSI lists numerous Work Sharp[®] and Drill Doctor[®] products and intentionally misuses the Darex Trademarks.
- 17. Darex registered its DRILL DOCTOR trademark with United States Trademark Registration Nos. 2,083,587 (the "'587 Trademark") and 6,077,987 (the "'987 Trademark").
- 18. Darex registered its WORK SHARP trademark with United States Trademark Registration Nos. 3,407,214 (the "'214 Trademark"); 4,026,814 (the "'814 Trademark"); and 6,077,986 (the "'986 Trademark").

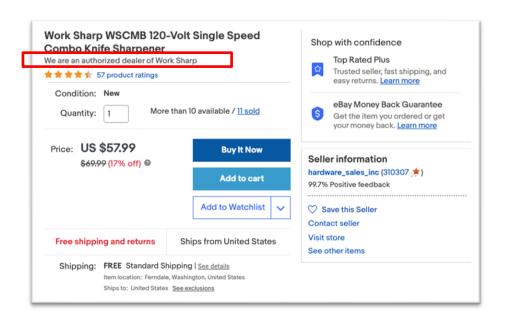
- 19. HSI is not authorized to use the DRILL DOCTOR or WORK SHARP trademarks in connection with any product or product sale.
- 20. HSI sells numerous unauthorized Darex products on its website and on eBay and intentionally misuses the DRILL DOCTOR and WORK SHARP trademarks in connection with those listings.
- 21. Without authorization, HSI displays the DRILL DOCTOR trademark, as shown in the exemplary product listing below, in connection with its false claims that it is an authorized Drill Doctor retailer:



https://www.ebay.com/itm/Drill-Doctor-DA31320GF-Diamond-Wheel -For-Drill-Doctor-350X-500X-and-750X/140990950050

(Captured December 9, 2020)

22. Without authorization, HSI displays the WORK SHARP trademark, as shown in the exemplary product listing below, in connection with its false claims that it is an authorized Work Sharp retailer:



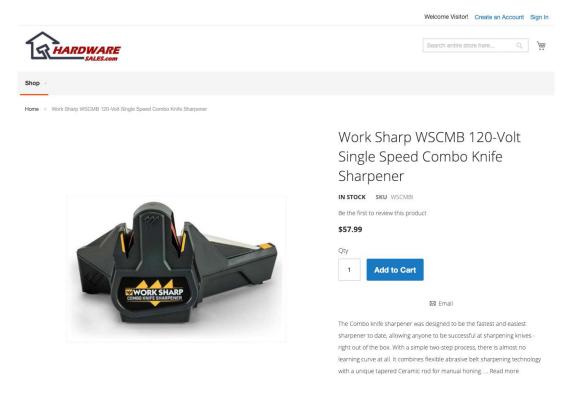
https://www.ebay.com/itm/Work-Sharp-WSCMB-120-Volt-Single-Speed-Combo-Knife-Sharpener/142452882458

(Captured December 9, 2020)

- 23. HSI's display of the DRILL DOCTOR and WORK SHARP trademarks, as shown above is confusing and misleading to customers.
- 24. Darex obtained U.S. copyright registration (Registration Number: VA 2-224-250 ("'250 Copyright") for the product image shown below. Darex is the owner of the '250 Copyright.



25. Although HSI is not authorized to use the Darex's copyrighted images, it has made unauthorized reproductions of Darex's copyrighted images at the locations shown below:



http://www.hardwaresales.com/catalog/product/view/id/78664/s/work-sharp-wscmb-120-volt-combo-knife-sharpener/category/163/

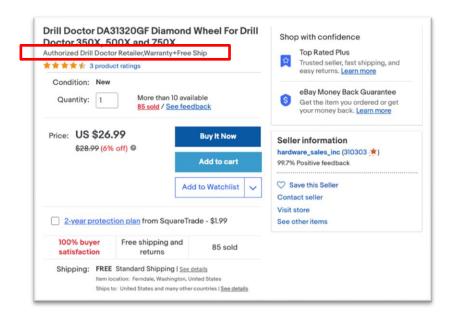
26. HSI willfully infringes and misuses the Darex Copyright and Trademarks without authorization.

FIRST CAUSE OF ACTION Trademark Infringement 15 U.S.C. § 1114

- 27. Darex incorporates and realleges each and every allegation in the preceding paragraphs, as if fully set forth herein.
- 28. Darex registered the DRILL DOCTOR Trademarks with the United States Patent and Trademark Office. A true and correct copy of the '587 Trademark is attached as Exhibit A. A true and correct copy of the '987 Trademark is attached as Exhibit B (collectively, the "DRILL COMPLAINT 7

DOCTOR Trademarks").

- 29. Darex registered the WORK SHARP Trademarks with the United States Patent and Trademark Office. A true and correct copy of the '215 Trademark is attached as Exhibit C. A true and correct copy of the '814 Trademark is attached as Exhibit D. A true and correct copy of the '986 Trademark is attached as Exhibit E (collectively, the "WORK SHARP Trademarks").
- 30. Darex owns the DRILL DOCTOR Trademarks, and the DRILL DOCTOR Trademarks are valid and subsisting trademarks in full force and effect.
- 31. Darex owns the WORK SHARP Trademarks, and the WORK SHARP Trademarks is valid and subsisting trademarks in full force and effect.
- 32. Defendant HSI infringes the DRILL DOCTOR Trademarks by advertising products together with the false representation that HSI is an authorized DRILL DOCTOR retailer, as shown in the exemplary eBay product listing below:



 $\frac{https://www.ebay.com/itm/Drill-Doctor-DA31320GF-Diamond-Wheel}{-For-Drill-Doctor-350X-500X-and-750X/140990950050}$

(Captured December 9, 2020)

33. Defendant HSI infringes the WORK SHARP Trademarks by advertising products

together with the false representation that HSI is an authorized DRILL DOCTOR retailer, as shown

1 2

in the exemplary eBay product listing below:

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

Work Sharp WSCMB 120-Volt Single Speed Shop with confidence Combo Knife Sharpener We are an authorized dealer of Work Sharp Top Rated Plus Trusted seller, fast shipping, and ★★★★ for 57 product ratings easy returns. Learn more Condition: New eBay Money Back Guarantee More than 10 available / 11 sold Quantity: 1 Get the item you ordered or get your money back. Learn more Price: US \$57.99 **Buy It Now** Seller information \$69.99 (17% off) @ hardware_sales_inc (310307 *) Add to cart 99.7% Positive feedback Add to Watchlist Save this Seller Contact seller Visit store Free shipping and returns Ships from United States See other items Shipping: FREE Standard Shipping | See details Item location: Ferndale, Washington, United States Ships to: United States See exclusions

https://www.ebay.com/itm/Work-Sharp-WSCMB-120-Volt-Single-Speed-Combo-Knife-Sharpener/142452882458

(Captured December 9, 2020)

- 34. Defendant HSI's unauthorized use of the DRILL DOCTOR and WORK SHARP Trademarks is likely to cause confusion, to cause mistake, or to deceive the consumer as to the affiliation, connection, or association of Defendant's product listings with DRILL DOCTOR and/or WORK SHARP, or as to the origin, or approval by Darex of Defendant's listing for sale of such goods, services, or commercial activities, in violation of 15 U.S.C. § 1114(a).
- 35. Defendants' unauthorized use of the DRILL DOCTOR and WORK SHARP Trademarks enables Defendant to benefit unfairly from DRILL DOCTOR and WORK SHARP's reputation and success, giving Defendant infringing product sales and commercial value they would not have otherwise received.
 - 36. Defendants' unauthorized use of the DRILL DOCTOR and WORK SHARP

COMPLAINT - 9

Trademarks has been and continues to be intentional, willful, and without regard to Darex's rights.

Defendant has gained profits by virtue of their infringement of the DRILL

37.

WORK SHARP Trademarks.

DOCTOR and WORK SHARP Trademarks.

38. Darex is suffering irreparable harm from Defendants' infringement of the DRILL DOCTOR and WORK SHARP Trademarks insofar as Darex's good will is being eroded by Defendant's continued infringement and unauthorized sale of goods in connection with the DRILL DOCTOR and WORK SHARP marks. Darex has no adequate remedy at law to compensate it for the loss of business reputation, customers, market position, confusion of potential customers, and goodwill flowing from Defendants' infringing activities. Pursuant to 15 U.S.C. § 1116, Darex is entitled to an injunction against Defendants' continuing infringement of the DRILL DOCTOR and

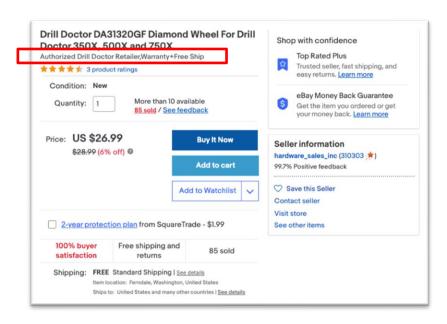
39. Because Defendant's actions have been committed with intent to damage Darex and to confuse and deceive the public—occurring even after Defendant HSI was asked to stop selling such products—Darex is entitled to treble its actual damages or Defendant's profits, whichever is greater, and an award of costs and, this being an exceptional case, reasonable attorneys' fees pursuant to 15 U.S.C. § 1117(a) and 1117(b).

SECOND CAUSE OF ACTION Unfair Competition 15 U.S.C. § 1125(a)

- 40. Darex incorporates and realleges each and every allegation in the preceding paragraphs, as if fully set forth herein.
- 41. Darex registered the DRILL DOCTOR and WORK SHARP Trademarks with the United States Patent and Trademark Office.
- 42. Darex owns the DRILL DOCTOR and WORK SHARP Trademarks, and the DRILL DOCTOR and WORK SHARP Trademarks are valid and subsisting trademarks in full

force and effect.

43. Defendant HSI infringes the DRILL DOCTOR Trademarks by advertising products together with the false representation that HSI is an authorized DRILL DOCTOR retailer, as shown in the exemplary eBay product listing below:



https://www.ebay.com/itm/Drill-Doctor-DA31320GF-Diamond-Wheel -For-Drill-Doctor-350X-500X-and-750X/140990950050

(Captured December 9, 2020)

44. Defendant HSI infringes the WORK SHARP Trademarks by advertising products together with the false representation that HSI is an authorized WORK SHARP retailer, as shown in the exemplary eBay product listing below:

e are an authorized dealer of Work	Sharp	Top Rated Plus ☐ Trusted seller fast shipping and	
★★★★ for product ratings		Trusted seller, fast shipping, and easy returns. Learn more	
Condition: New Quantity: 1 More to	han 10 available / <u>11 sold</u>	eBay Money Back Guarantee Get the item you ordered or get your money back. Learn more	
Price: US \$57.99 \$69.99 (17% off) ◎	Buy It Now	Seller information	
, , , , , , , , , , , , , , , , , , , ,	Add to cart	hardware_sales_inc (310307 🗯) 99.7% Positive feedback	
	Add to Watchlist 🗸	Save this Seller	
Free shipping and returns	Ships from United States	Contact seller Visit store See other items	
Shipping: FREE Standard Ship	pping See details	See other items	

https://www.ebay.com/itm/Work-Sharp-WSCMB-120-Volt-Single-Speed-Combo-Knife-Sharpener/142452882458

(Captured December 9, 2020)

- 45. Defendant's unauthorized use of the DRILL DOCTOR and WORK SHARP Trademarks is likely to cause confusion, to cause mistake, or to deceive the consumer as to the affiliation, connection, or association of Defendant's knock-off products with Darex, or as to the origin, or approval by Darex of Defendants' goods, services, or commercial activities, in violation of 15 U.S.C. § 1125(a).
- 46. Defendant's unauthorized use of the DRILL DOCTOR and WORK SHARP Trademarks enables Defendant to benefit unfairly from Darex's reputation and success in the DRILL DOCTOR and WORK SHARP marks, thereby giving Defendant unauthorized product sales and commercial value they would not have otherwise received in violation of 15 U.S.C. § 1125(a).
- 47. Defendants' unauthorized use of the DRILL DOCTOR and WORK SHARP Trademarks as described herein has been and continues to be intentional, willful, and without regard to Darex's rights.

COMPLAINT - 12

2

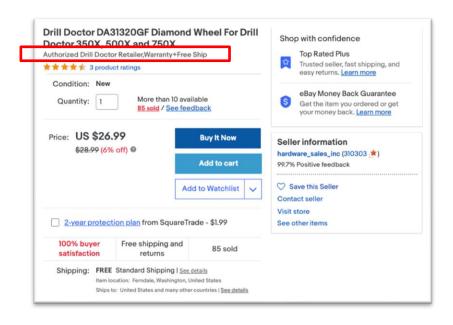
- 48. Darex is suffering irreparable harm from Defendants' infringement of the DRILL DOCTOR and WORK SHARP Trademarks insofar as Darex's good will is being eroded by Defendants' continued infringement. Darex has no adequate remedy at law to compensate it for the loss of business reputation, customers, market position, confusion of potential customers, and goodwill flowing from Defendants' infringing activities. Pursuant to 15 U.S.C. § 1116, Darex is entitled to an injunction against Defendants' continuing infringement of the DRILL DOCTOR and WORK SHARP Trademarks.
- 49. Because Defendants' actions have been committed with intent to damage Darex and to confuse and deceive the public—occurring even after Defendant HSI was asked to stop selling such products—Darex is entitled to treble its actual damages or Defendants' profits, whichever is greater, and to an award of costs and, this being an exceptional case, reasonable attorneys' fees pursuant to 15 U.S.C. § 1117(a) and 1117(b).

THIRD CAUSE OF ACTION **False Advertising** 15 U.S.C. § 1125(a)

- 50. Darex incorporates and realleges each and every allegation in the preceding paragraphs, as if fully set forth herein.
- 51. Defendant HSI engages in false advertising with regard to the DRILL DOCTOR Trademarks by advertising products together with the false representation that HSI is an authorized DRILL DOCTOR retailer, as shown in the exemplary eBay product listing below:

22

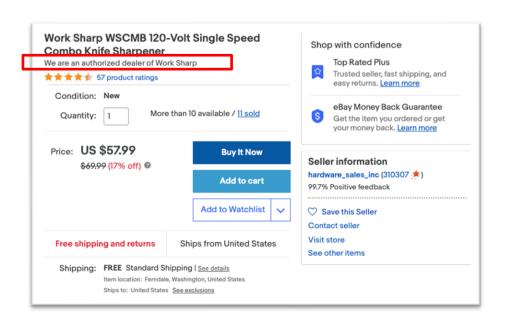
23



https://www.ebay.com/itm/Drill-Doctor-DA31320GF-Diamond-Wheel -For-Drill-Doctor-350X-500X-and-750X/140990950050

(Captured December 9, 2020)

52. Defendant HSI engages in false advertising with regard to the WORK SHARP Trademarks by advertising products together with the false representation that HSI is an authorized WORK SHARP retailer, as shown in the exemplary eBay product listing below:



https://www.ebay.com/itm/Work-Sharp-WSCMB-120-Volt-Single-Speed-Combo-Knife-Sharpener/142452882458

(Captured December 9, 2020)

- 53. Defendant's advertising uses of the DRILL DOCTOR and WORK SHARP Trademarks as outlined above are false and misleading statements of fact that are likely to cause confusion, to cause mistake, or to deceive the consumer as to a material and important aspect of the advertised products including the Defendant's alleged affiliation, connection, or association with Darex, or as to the origin, or approval by Darex of Defendants' goods, services, or commercial activities, in violation of 15 U.S.C. § 1125(a).
- 54. Defendant's unauthorized use of the DRILL DOCTOR and WORK SHARP Trademarks enables Defendant to benefit unfairly from Darex's reputation and success in the DRILL DOCTOR and WORK SHARP marks, thereby giving Defendant unauthorized product sales and commercial value they would not have otherwise received in violation of 15 U.S.C. § 1125(a).
- 55. Defendants' unauthorized use of the DRILL DOCTOR and WORK SHARP Trademarks as described herein has been and continues to be intentional, willful, and without regard to Darex's rights.
- DRILL DOCTOR and WORK SHARP Trademarks insofar as Darex's good will is being eroded by Defendants' continued infringement. Darex has no adequate remedy at law to compensate it for the loss of business reputation, customers, market position, confusion of potential customers, and goodwill flowing from Defendants' infringing activities. Pursuant to 15 U.S.C. § 1116, Darex is entitled to an injunction against Defendants' continuing infringement of the DRILL DOCTOR and WORK SHARP Trademarks.
- 57. Because Defendants' actions have been committed with intent to damage Darex COMPLAINT 15

and to confuse and deceive the public Darex is entitled to treble its actual damages or Defendants' profits, whichever is greater, and to an award of costs and, this being an exceptional case, reasonable attorneys' fees pursuant to 15 U.S.C. § 1117(a) and 1117(b).

FOURTH CLAIM FOR RELIEF **Copyright Infringement**

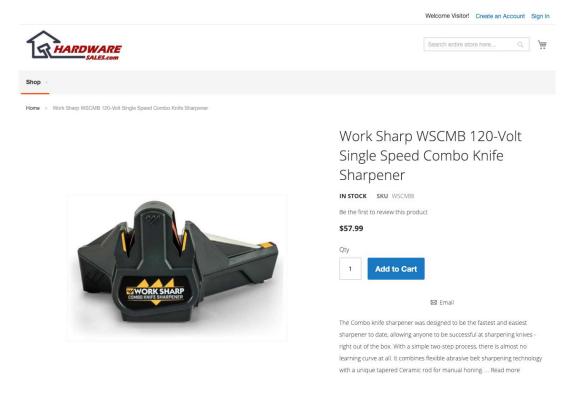
17 U.S.C. § 106 et seq

- Darex incorporates and realleges each of the preceding paragraphs in the 58. Complaint, as if fully set forth herein.
- 59. On November 19, 2020, the United States Copyright Office issued copyright registration number VA 2-224-250 ("'250 Copyright") for the product image shown below. Darex is the owner of the '250 Copyright, which is attached hereto as Exhibit F.



60. Although HSI is not authorized to use the Darex's copyrighted images, it has made unauthorized reproductions of Darex's copyrighted images at the locations shown below:

23



http://www.hardwaresales.com/catalog/product/view/id/78664/s/work-sharp-wscmb-120-volt-combo-knife-sharpener/category/163/

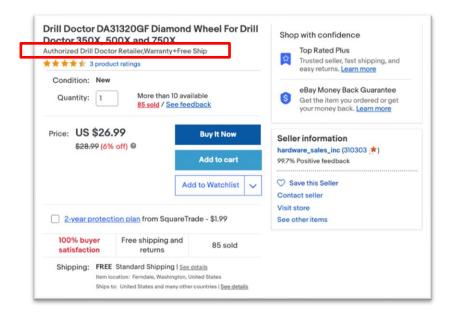
- 61. Defendant has produced, reproduced, and/or prepared reproductions of Darex's protected works without Darex's consent. Defendants' acts violate Darex's exclusive rights under the Copyright Act, 17 U.S.C. §§ 106 and 501, including its exclusive rights to produce, reproduce, and distribute copies of its work, to create derivative works, and to publicly display its work.
- 62. Defendant's infringement has been undertaken willfully with the intent to financially gain from Darex's copyrighted work and Defendant has willfully infringed Darex's copyrighted work.
- 63. Because of Defendant's infringing acts, Darex is entitled to its actual damages and Defendant's profits attributable to the infringement, in an amount to be proved at trial, together with all other relief allowed under the Copyright Act.
- 64. Because of Defendant's willful infringement, Darex is entitled to increased COMPLAINT 17

damages pursuant to 17 U.S.C. § 504(c)(2).

65. Defendant's infringement has caused and continues to cause irreparable harm to Darex, for which it has no adequate remedy at law. Unless this Court restrains Defendant from infringing Darex's protected work, the harm will continue to occur in the future. Accordingly, Darex is entitled to a preliminary and permanent injunction.

FIFTH CAUSE OF ACTION Washington Consumer Protection Act RCW 19.86.020

- 66. Darex incorporates and realleges each and every allegation in the preceding paragraphs, as if fully set forth herein.
- 67. Defendant HSI engages in false advertising with regard to the DRILL DOCTOR Trademarks by advertising products together with the false representation that HSI is an authorized DRILL DOCTOR retailer, as shown in the exemplary eBay product listing below:



https://www.ebay.com/itm/Drill-Doctor-DA31320GF-Diamond-Wheel -For-Drill-Doctor-350X-500X-and-750X/140990950050

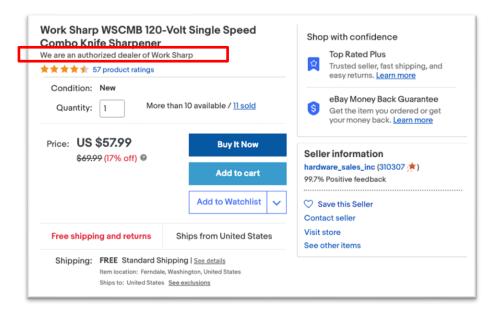
(Captured December 9, 2020)

68. Defendant HSI engages in false advertising with regard to the WORK SHARP

Trademarks by advertising products together with the false representation that HSI is an authorized

11.

WORK SHARP retailer, as shown in the exemplary eBay product listing below:



https://www.ebay.com/itm/Work-Sharp-WSCMB-120-Volt-Single-Speed-Combo-Knife-Sharpener/142452882458

(Captured December 9, 2020)

69. Defendant's advertising uses of the DRILL DOCTOR and WORK SHARP Trademarks constitutes an unfair or deceptive act or practice in violation of RCW 19.86.023.

PRAYER FOR RELIEF

Wherefore, Darex respectfully prays that the Court enter judgment in its favor and award the following relief against Defendant:

- A. A judgment in favor of Darex that Defendant infringed the Darex Trademarks;
- B. A judgment in favor of Darex that Defendant willfully infringed the Darex Trademarks;
- C. A judgment in favor of Darex that Defendant engaged in unfair competition and unfair trade practices in violation of 15 U.S.C. § 1125.

1	O. An order and judgment enjoining Defendant and their officers, directors		
2	employees, agents, licensees, representatives, affiliates, related companies, servants, successors		
3	and assigns, and any and all persons acting in privity or in concert with any of them, from further		
4	infringing the registered Darex Copyright;		
5	P. Any other relief the Court deems just and proper under all the circumstances.		
6			
7	Demand for Trial by Jury		
8	Darex demands a jury trial on all matters triable to a jury.		
9	DATED this 21st day of December 2020.		
10			
11	/s/ Brian N. Platt TIMOTHY D. NICHOLS (pro hac vice forthcoming)		
12	tnichols@wnlaw.com BRIAN N. PLATT (WSBA No. 34089)		
13	bplatt@wnlaw.com WORKMAN NYDEGGER		
14	60 East South Temple, Suite 1000 Salt Lake City, Utah 84111		
15	Telephone: (801) 533-9800		
16	Counsel for Plaintiff Darex, LLC		
17			
18			
19			
20			
21			
22			
23			
24			